

*“For too long New Mexicans have been harmed by the irresponsible actions of Wall Street,” said Rep. Luján. “Under the Bush Administration, this lack of accountability led to a bailout of Wall Street and a near collapse of our financial system. Today, we are taking important steps to reform our system and hold Wall Street accountable. It’s time to fix the problems that got us here and protect taxpayers.”*

In December 2009, Rep. Luján voted to reform Wall Street by ending predatory lending practices, preventing costly taxpayer bailouts, creating tough new rules on the riskiest financial practices, and improving oversight and enforcement. Furthermore, the House version of the legislation would make Wall Street banks repay the bailout money they got from taxpayers.

The legislation passed the House of Representatives by a vote of 223 to 202. The Senate is now debating the legislation.

“I [voted against the bailout](#) in January, and I’ve fought to make sure that consumers are protected from the irresponsibility of Wall Street and predatory lenders,” said Rep. Luján. “I was a strong supporter of [credit card](#) and [mortgage reform](#). And now with the Wall Street Reform and Consumer Protection Act, we are one step closer to making sure that we fix the problems behind our current economic crisis and put New Mexico families first.”

The Wall Street Reform and Consumer Protection Act of 2009:

- Creates a new Consumer Financial Protection Agency that ensures that bank loans, mortgages, and credit cards are fair and transparent to consumers
- Ends “too big to fail” financial firms before their risky and irresponsible behavior can threaten the financial system
- Strengthens oversight of big banks and financial firms – including new regulations on credit rating agencies and riskier hedge funds, derivatives, and other complex financial deals
- Empowers the Securities and Exchange Commission with additional enforcement responsibilities, including the registration of hedge funds and private equity funds
- Addresses excessive executive compensation by giving shareholders a ‘say on pay,’ requiring independent directors on compensation committees, and limiting the risky pay practices of bank executives that jeopardized banks’ soundness

### **Rep. Luján’s Contribution to the Wall Street Reform and Consumer Protection Act of 2009:**

The legislation included an amendment by Rep. Luján that was added to the manager’s amendment. Under current law, a bank cannot merge with another bank if the combined deposits equal or exceed 10 percent of all US deposits. There is a loophole that allows a bank to buy a nonbank entity, such as a thrift, and exceed 10 percent of all deposits. For example, Bank of America was able to purchase Countrywide Mortgage.

Rep. Luján’s amendment would close this loophole and prevent banks from merging with thrifts if the combined deposits equal or exceed 10 percent of all US deposits. This ensures that no bank can grow beyond 10 percent of all US deposits through a merger, preventing the creation of “too big to fail” entities that could threaten the stability of the financial system.